

# AffinityWater

## ICG Meeting Minutes 23 January 2023



## Minutes of the Meeting of the Independent Challenge Group Monday 23 January 2023, 14:00 – 17:00 (Teams)

<b>ICG members in attendance</b>		
Caroline Warner	<i>Chair</i>	<b>CW</b>
Ana Maria Millan	<i>CCW</i>	<b>AM</b>
Bob Winnington	<i>Money Advice Liaison Group</i>	<b>BW</b>
Unette Spencer (part)	<i>Mastercard</i>	<b>US</b>
David Holden	<i>Independent</i>	<b>DH</b>
Anthony Smith (part)	<i>Independent</i>	<b>AS</b>
<b>Affinity Water members</b>		
LW	<i>Director of Regulation and Strategy</i>	<b>LW</b>
RF	<i>Interim Director of Customer Experience</i>	<b>RF</b>
CC	<i>WRMP Community &amp; Stakeholder lead</i>	<b>CC</b>
NS	<i>Customer Engagement Lead</i>	<b>NS</b>
AM	<i>PA (Minutes)</i>	<b>AKM</b>
MH	<i>Head of Economic Regulation</i>	<b>MH</b>
FR	<i>PR24 Stakeholder Engagement Manager</i>	<b>FW</b>
<b>Apologies</b>		
ES	<i>PR24 Project Support</i>	<b>ES</b>
Jonathan Sellars	<i>Environment Agency</i>	<b>JS</b>

Agenda Item	Minute	Action
1.0	Welcome and Introduction	
	<p>PR24 methodology published at the end of 2022. A timetable will be drafted and circulated indicating what needs to happen and when.</p> <p>Ofwat will be expecting evidence of engagement/scrutiny from ICG's in a separate report.</p> <p>ICG Agendas for year will be shared.</p> <p>CCW review of ICG's is coming to its conclusion and ICG Chairs will be receiving that feedback on the 7<sup>th</sup> of February 2023.</p> <p>ICG subgroup arrangements are being finalised.</p> <p>Introduction to Rebecca Fraud, Interim Director of Customer Experience.</p> <p>Keith Haslett has now joined Affinity as CEO and new CFO will be joining mid-April.</p>	<p>LW</p> <p>LW/CW</p>
2.0	ICG Challenge Questions November 2022	
	<p>Agreed the responses provided were very comprehensive.</p> <p>CW noted one observation regarding how long customers should have to wait on phone, the number provided in challenge question response differs from the number quoted in the what customers want document.</p> <p>AM queried what is the average call waiting time?            BW queried customer metrics and what is the main driver, ideal outcome, speediness versus quality? The SLA should be driving the ultimate goal and outcome.            Call dropout rate, is this high?            What plans are in place e.g., when there is a weather incident?            Metering Complaints – how are Affinity comparing against other companies in the industry.</p> <p>RF agreed that so much can be derived from satisfaction/call handling metrics and ways that these can be used to guide.</p> <p>Agreed to undertake customer call listening exercise prior to the ICG meeting in March and also to include a deep dive on customer metrics on the agenda.</p>	<p>LW/CC</p> <p>LW/RF</p>

3.0	Update on ICG Arrangements	
	<p>ICG subgroups, Customer and Communities and Environment and Resilience. Initial meetings have taken place with relevant ICG members, CC and TB to agree meeting format/attendees/timing of meetings.</p> <p>New member recruitment. This will aid discussion along with Jon at the Environmental and Resilience Subgroup. Recruitment has commenced and it is hoped that the new member can be in position in the next couple of months.</p> <p>Main detail/any escalation matters from the subgroups will be presented to ICG bi-monthly meeting.</p>	<b>LW/CC/TB</b>
4.0	Stakeholder Engagement Action Plan	
	<p>Affinity is working on a stakeholder map/database. Some stakeholders are experts in a particular field, and it will be important to illicit this insight when producing the Business Plan and feeding into the ICG.</p> <p>FR presented timeline for the stakeholder and community workshops/meetings.</p> <p>ICG are welcome to join the meetings and FW will share the dates with CW to confirm which would be the most relevant for members to attend and observe the company's interactions with stakeholders in order to comment on the quality of engagement and resulting thread to the business plan,</p> <p>DH would like to see stakeholder interaction data split into different types of engagement e.g., proactive/reactive and the triangulation process.</p> <p>CW reiterated that ICG is not a stakeholder but a challenge group.</p>	<b>FR</b>  <b>FR</b>
5.0	PR24 Final Methodology Update	
	<p>Work is ongoing to review the detail of the final methodology. The final methodology covers the entire business operations for the next 5 years and also the next 25 years.</p> <p>Affinity final Business Plan to be submitted in October 2023.</p>	

	<p>Core blocks - the service that is delivered, which is regulated through performance commitments (PC's) with targets set by Ofwat in defined areas of service. We will not be able to see what those PC's are until after the business plans has been submitted. Therefore, it is important to be as ambitious as possible in the final methodology for these to be acceptable. The targets will be confirmed by Ofwat Summer 2024. There is also an opportunity to include bespoke performance commitments. Affinity will be including sustainable abstraction and low pressure as bespoke PC's.</p> <p>It is important to ensure that the investment needed is enabled and appropriately funded with an appropriate level of return for shareholders without putting undue pressure on customer bills.</p> <p>What are other companies doing and how do they compare? There is an industry project underway to see if reporting is comparable e.g., low pressure.</p> <p>CMEX – incentives have been increased to 18% for PR24.</p> <p>Affordability/acceptability work - Affinity will be testing best view for business plan and also an alternative option. The plan will change based on the affordability/acceptability testing that will be taking place. Alongside this there will be willingness to pay work and various public consultations.</p> <p>ICG have not had an opportunity to scrutinise any work and need to get closer to the detail. It is important that ICG have clear sight. Will also be included in the ICG customer subgroup.</p>	
6.0	<h3 style="color: #0056b3;">What Customers Want/Synthesis Reports</h3>	
	<p>Now called, What Customers and Stakeholders Want (circulated to the ICG in advance of the meeting).</p> <p>Summary of insights split into four sections. In addition to this a synthesis report document has been produced. The Synthesis document sets how triangulation process and key lines scoring are brought together/evidenced and are then included in the What Customers Want report.</p> <p>To ensure that evidence will meet Ofwat's requirements. External assurance will also be introduced.</p> <p>How will document be used with the ICG in coming months? CC suggested that the ICG role could be to audit some of the scoring.</p>	

	<p>When library is live document numbers will be hyperlinked.</p> <p>Evidence in the triangulation needs to be structured in such a way that the database can be interrogated and then be aligned with the business plan.</p> <p>How will improvements be prioritised? There is a piece of priorities work to be undertaken, alongside willingness to pay.</p> <p>First Customer ICG Customer Subgroup Meeting will include an item on deep dive into triangulation. And main ICG will be required to do a dip audit.</p> <p>Importance for ICG to see what evidence has influenced plans. Continue to use ICG to challenge and assure these pieces of customer evidence.</p>	
7.0	AOB	
	<p>March ICG meeting to be held in person in Hatfield. There will be a morning session to listen to customer calls, lunch and a members meeting prior to main ICG meeting.</p>	

I confirm that the Minutes of the ICG January 2023 Meeting are a true and accurate record of the business discussed and agreed.

**ICG Chair**

Signature:



Date: 23<sup>rd</sup> February 2023

**AWL Director of Regulation and Strategy**

Signature



Date: 23<sup>rd</sup> February 2023